

HOUSE BILL NO. 268

INTRODUCED BY D. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A PAY RAISE OF \$1 AN HOUR FOR STATE EMPLOYEES IN EACH FISCAL YEAR; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, AND 2-18-315, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the market-based compensation necessary to attract and retain competent and qualified employees in order to perform the services that the state is required to provide to its citizens.

(2) It is the intent of the legislature that compensation plans for state employees, excluding those employees excepted under 2-18-103 or 2-18-104 and excluding employees compensated under 2-18-313 and 2-18-315, be based on an analysis of the labor market as provided by the department in a salary survey. The salary survey must be submitted to the office of budget and program planning as a part of the information required by 17-7-111.

(3) Except as provided in 2-18-110, pay adjustments and pay schedules provided for in 2-18-303 and in 2-18-312, 2-18-313, and 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~58th~~ 59th legislature.

(4) Pay levels provided for in 2-18-312, 2-18-313, and 2-18-315 may not be increased through collective bargaining after adjournment of the ~~58th~~ 59th legislature.

(5) Total funds required to implement the pay schedules provided for in 2-18-312, 2-18-313, and 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~58th~~ 59th legislature.

(6) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

(7) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part.

(8) Nothing in this part prohibits the board of regents from engaging in negotiations with the collective bargaining units representing the classified staff of the university system."

Section 2. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for using pay schedules. (1) The pay schedule provided in 2-18-312 must be implemented as follows:

(a) The pay schedule provided in 2-18-312 indicates the entry salary and market salary for each grade for positions classified under the provisions of part 2 of this chapter.

(b) Each employee newly hired by the state of Montana must be hired at the entry rate, except as provided in subsections (6) through (9).

(c) On the first day of the first complete pay period in fiscal year ~~2004~~ 2006, ~~each employee is entitled to the amount of the employee's base salary as it was on June 30, 2003.~~

~~Effective on the first day of the first complete pay period that includes January 1, 2005, the base salary of each employee must be increased by an amount equal to 25 cents~~ \$1 an hour or by a lesser amount so that the employee's base salary after the increase does not exceed the maximum salary of the pay grade as provided in subsection (1)(f).

(d) On the first day of the first complete pay period in fiscal year 2007, the base salary of each employee must be increased by an amount equal to \$1 an hour or by a lesser amount so that the employee's base salary after the increase does not exceed the maximum salary of the pay grade as provided in subsection (1)(f).

(e) An employee's base salary may be no less than the entry salary for the employee's assigned grade.

(f) The maximum salary for each grade is determined by subtracting the entry salary from the market salary and adding that amount to the market salary.

(2) The pay schedule provided in 2-18-312 and the provisions of subsection (1) of this section do not apply to those teachers or blue-collar occupations compensated under the pay schedules provided in 2-18-313 and 2-18-315.

(3) The pay schedules provided in 2-18-313 and 2-18-315 must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for teachers employed under the authority of the department of corrections or the department of public health and human services for fiscal years ~~2004~~ 2006 and ~~2005~~ 2007.

~~(ii) The compensation of each teacher on July 1, 2003, is the same as it was on June 30, 2003.~~

1 ~~(iii)~~(ii) Effective on the first day of the first complete pay period that includes ~~January~~ July 1, 2005, the
2 base salary of each teacher employed in the department of public health and human services and the
3 department of corrections is the amount provided for the teacher's step and education level under 2-18-313(2).

4 This subsection ~~(3)(a)(iii)~~ (3)(a)(ii) does not provide for a step advancement.

5 (b) The pay schedules provided in 2-18-315 indicate the maximum hourly compensation for fiscal years
6 ending June 30, ~~2004~~ 2006, and June 30, ~~2005~~ 2007, for employees in apprentice trades and crafts and other
7 blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have
8 collectively bargained separate classification and pay plans.

9 (c) The compensation of each employee on the first day of the first pay period in each fiscal year is that
10 amount corresponding to the grade occupied on the last day of the preceding fiscal year.

11 (4) (a) (i) If the legislature authorizes a pay increase for state employees, a member of a bargaining unit
12 may not receive a pay increase until the employer's collective bargaining representative receives written notice
13 that the employee's bargaining unit has ratified a completely integrated collective bargaining agreement.

14 (ii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
15 (4)(a)(i), is not completed by the date on which a legislatively authorized pay increase is implemented,
16 retroactivity to that date may be negotiated.

17 (iii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
18 (4)(a)(i), is not completed by the date on which a legislatively authorized pay increase is implemented, members
19 of the bargaining unit must continue to receive the compensation that they were receiving until an agreement
20 is ratified.

21 (b) Methods of administration not inconsistent with the purpose of this part and necessary to properly
22 implement the pay schedules and adjustments provided in 2-18-312, 2-18-313, 2-18-315, and this section may
23 be provided for in collective bargaining agreements.

24 (5) The current wage or salary of an employee may not be reduced by the implementation of the pay
25 schedules provided for in 2-18-312, 2-18-313, and 2-18-315.

26 (6) The department may authorize a separate pay schedule for classes of medical professionals if the
27 rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified professionals.

28 (7) (a) The department may develop and implement an alternative pay and classification plan for certain
29 classes, occupations, and work units. Pay for employees in the alternative pay and classification plan may be
30 established and changed based on demonstrated competencies and accomplishments, on the labor market, and

on other situations defined by the department.

(b) To the extent that the plan applies to employees within a collective bargaining unit, the implementation of the plan is a negotiable subject under 39-31-305.

(8) The department may develop programs that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. To the extent that the program applies to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

(9) The department shall review the competitiveness of the compensation provided to all occupations under this part. If the department finds that substantial problems exist with recruitment and retention because of inadequate salaries when compared to competing employers, the department may establish criteria allowing an adjustment in pay or classification to mitigate the problems. To the extent that these adjustments apply to employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject under 39-31-305."

Section 3. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule. (1) The statewide classification pay schedule for the period beginning on the first day of the first full pay period in fiscal year ~~2004~~ 2006 is as follows:

Annual Hours -- 2080

Note: Does Not Include Insurance

Pay Matrix -- State

Matrix Type -- Annual

Pay Range: Entry Salary to Market Salary

GRADE	ENTRY SALARY	MARKET SALARY
1	9,703 <u>11,783</u>	41,415 <u>13,495</u>
2	10,452 <u>12,532</u>	42,324 <u>14,404</u>
3	11,257 <u>13,337</u>	43,308 <u>15,388</u>
4	12,131 <u>14,211</u>	44,375 <u>16,455</u>
5	13,110 <u>15,190</u>	45,569 <u>17,649</u>
6	14,237 <u>16,317</u>	46,950 <u>19,030</u>
7	15,456 <u>17,536</u>	48,442 <u>20,522</u>
8	16,837 <u>18,917</u>	20,136 <u>22,216</u>
9	18,320 <u>20,400</u>	21,967 <u>24,047</u>
10	19,968 <u>22,048</u>	23,999 <u>26,079</u>

1	11	21,773 <u>23,853</u>	26,234 <u>28,311</u>
2	12	23,779 <u>25,859</u>	28,716 <u>30,796</u>
3	13	25,966 <u>28,046</u>	31,436 <u>33,516</u>
4	14	28,397 <u>30,477</u>	34,459 <u>36,539</u>
5	15	31,085 <u>33,165</u>	37,816 <u>39,896</u>
6	16	34,089 <u>36,169</u>	41,577 <u>43,657</u>
7	17	37,459 <u>39,539</u>	45,795 <u>47,875</u>
8	18	40,990 <u>43,070</u>	50,232 <u>52,312</u>
9	19	44,946 <u>47,026</u>	55,215 <u>57,295</u>
10	20	49,363 <u>51,443</u>	60,819 <u>62,899</u>
11	21	54,264 <u>56,344</u>	66,993 <u>69,073</u>
12	22	59,741 <u>61,821</u>	73,936 <u>76,016</u>
13	23	65,919 <u>67,999</u>	81,788 <u>83,868</u>
14	24	72,860 <u>74,940</u>	90,622 <u>92,702</u>
15	25	80,538 <u>82,618</u>	100,419 <u>102,499</u>

16 (2) The statewide classification pay schedule for the period beginning on the first day of the first full pay
 17 period in fiscal year 2007 is as follows:

18 Annual Hours -- 2080

Note: Does Not Include Insurance

19 Pay Matrix -- State

Matrix Type -- Annual

20 Pay Range: Entry Salary to Market Salary

21	<u>GRADE</u>	<u>ENTRY SALARY</u>	<u>MARKET SALARY</u>
22	<u>1</u>	<u>13,863</u>	<u>15,575</u>
23	<u>2</u>	<u>14,612</u>	<u>16,484</u>
24	<u>3</u>	<u>15,417</u>	<u>17,468</u>
25	<u>4</u>	<u>16,291</u>	<u>18,535</u>
26	<u>5</u>	<u>17,270</u>	<u>19,729</u>
27	<u>6</u>	<u>18,397</u>	<u>21,110</u>
28	<u>7</u>	<u>19,616</u>	<u>22,602</u>
29	<u>8</u>	<u>20,997</u>	<u>24,296</u>
30	<u>9</u>	<u>22,480</u>	<u>26,127</u>

1	<u>10</u>	<u>24,128</u>	<u>28,159</u>
2	<u>11</u>	<u>25,933</u>	<u>30,391</u>
3	<u>12</u>	<u>27,939</u>	<u>32,876</u>
4	<u>13</u>	<u>30,126</u>	<u>35,626</u>
5	<u>14</u>	<u>32,557</u>	<u>38,619</u>
6	<u>15</u>	<u>35,245</u>	<u>41,976</u>
7	<u>16</u>	<u>38,249</u>	<u>45,737</u>
8	<u>17</u>	<u>41,619</u>	<u>49,955</u>
9	<u>18</u>	<u>45,150</u>	<u>54,392</u>
10	<u>19</u>	<u>49,106</u>	<u>59,375</u>
11	<u>20</u>	<u>53,523</u>	<u>64,979</u>
12	<u>21</u>	<u>58,424</u>	<u>71,153</u>
13	<u>22</u>	<u>63,901</u>	<u>78,096</u>
14	<u>23</u>	<u>70,079</u>	<u>85,948</u>
15	<u>24</u>	<u>77,020</u>	<u>94,782</u>
16	<u>25</u>	<u>84,698</u>	<u>104,579"</u>

17

18 **Section 4.** Section 2-18-313, MCA, is amended to read:

19 **"2-18-313. Teachers' pay schedules.** (1) The pay schedule for teachers for the period beginning the
20 first day of the first full pay period in fiscal year ~~2004~~ 2006 is as follows:

21 Annual Hours -- 2080

Note: Does Not Include Insurance

22 Term -- Twelve Months

Matrix Type -- Annual

23	Education Level												
24	STEP	BA		BA+15		BA+30		BA+45		BA+60		BA+75	
25	1	27,129	<u>29,729</u>	27,942	<u>30,542</u>	28,780	<u>31,380</u>	29,643	<u>32,243</u>	30,532	<u>33,132</u>	31,449	<u>34,049</u>
26	2	27,942	<u>30,542</u>	28,780	<u>31,380</u>	29,643	<u>32,243</u>	30,532	<u>33,132</u>	31,449	<u>34,049</u>	32,393	<u>34,993</u>
27	3	28,780	<u>31,380</u>	29,643	<u>32,243</u>	30,532	<u>33,132</u>	31,449	<u>34,049</u>	32,393	<u>34,993</u>	33,365	<u>35,965</u>
28	4	29,643	<u>32,243</u>	30,532	<u>33,132</u>	31,449	<u>34,049</u>	32,393	<u>34,993</u>	33,365	<u>35,965</u>	34,366	<u>36,966</u>
29	5	30,532	<u>33,132</u>	31,449	<u>34,049</u>	32,393	<u>34,993</u>	33,365	<u>35,965</u>	34,366	<u>36,966</u>	35,396	<u>37,996</u>
30	6	31,449	<u>34,049</u>	32,393	<u>34,993</u>	33,365	<u>35,965</u>	34,366	<u>36,966</u>	35,396	<u>37,996</u>	36,459	<u>39,059</u>

1	7	32,393 <u>34,993</u>	33,365 <u>35,965</u>	34,366 <u>36,966</u>	35,396 <u>37,996</u>	36,459 <u>39,059</u>	37,552 <u>40,152</u>
2	8	33,365 <u>35,965</u>	34,366 <u>36,966</u>	35,396 <u>37,996</u>	36,459 <u>39,059</u>	37,552 <u>40,152</u>	38,679 <u>41,279</u>
3	9	34,366 <u>36,966</u>	35,396 <u>37,996</u>	36,459 <u>39,059</u>	37,552 <u>40,152</u>	38,679 <u>41,279</u>	39,840 <u>42,440</u>
4	10	35,396 <u>37,996</u>	36,459 <u>39,059</u>	37,552 <u>40,152</u>	38,679 <u>41,279</u>	39,840 <u>42,440</u>	41,035 <u>43,635</u>
5	11	36,459 <u>39,059</u>	37,552 <u>40,152</u>	38,679 <u>41,279</u>	39,840 <u>42,440</u>	41,035 <u>43,635</u>	42,266 <u>44,866</u>
6	12	37,552 <u>40,152</u>	38,679 <u>41,279</u>	39,840 <u>42,440</u>	41,035 <u>43,635</u>	42,266 <u>44,866</u>	43,532 <u>46,132</u>
7	13	38,679 <u>41,279</u>	39,840 <u>42,440</u>	41,035 <u>43,635</u>	42,266 <u>44,866</u>	43,532 <u>46,132</u>	44,839 <u>47,439</u>

(2) Effective on the first day of the pay period that includes January 1, ~~2005~~ 2007, the pay schedule for

teachers is as follows:

Annual Hours -- 2080

Note: Does Not Include Insurance

Term -- Twelve Months

Matrix Type -- Annual

Education Level

STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75
1	27,649 <u>31,809</u>	28,462 <u>32,622</u>	29,300 <u>33,460</u>	30,163 <u>34,323</u>	31,052 <u>35,212</u>	31,969 <u>36,129</u>
2	28,462 <u>32,622</u>	29,300 <u>33,460</u>	30,163 <u>34,323</u>	31,052 <u>35,212</u>	31,969 <u>36,129</u>	32,913 <u>37,073</u>
3	29,300 <u>33,460</u>	30,163 <u>34,323</u>	31,052 <u>35,212</u>	31,969 <u>36,129</u>	32,913 <u>37,073</u>	33,885 <u>38,045</u>
4	30,163 <u>34,323</u>	31,052 <u>35,212</u>	31,969 <u>36,129</u>	32,913 <u>37,073</u>	33,885 <u>38,045</u>	34,886 <u>39,046</u>
5	31,052 <u>35,212</u>	31,969 <u>36,129</u>	32,913 <u>37,073</u>	33,885 <u>38,045</u>	34,886 <u>39,046</u>	35,916 <u>40,076</u>
6	31,969 <u>36,129</u>	32,913 <u>37,073</u>	33,885 <u>38,045</u>	34,886 <u>39,046</u>	35,916 <u>40,076</u>	36,979 <u>41,139</u>
7	32,913 <u>37,073</u>	33,885 <u>38,045</u>	34,886 <u>39,046</u>	35,916 <u>40,076</u>	36,979 <u>41,139</u>	38,072 <u>42,232</u>
8	33,885 <u>38,045</u>	34,886 <u>39,046</u>	35,916 <u>40,076</u>	36,979 <u>41,139</u>	38,072 <u>42,232</u>	39,199 <u>43,359</u>
9	34,886 <u>39,046</u>	35,916 <u>40,076</u>	36,979 <u>41,139</u>	38,072 <u>42,232</u>	39,199 <u>43,359</u>	40,360 <u>44,520</u>
10	35,916 <u>40,076</u>	36,979 <u>41,139</u>	38,072 <u>42,232</u>	39,199 <u>43,359</u>	40,360 <u>44,520</u>	41,555 <u>45,715</u>
11	36,979 <u>41,139</u>	38,072 <u>42,232</u>	39,199 <u>43,359</u>	40,360 <u>44,520</u>	41,555 <u>45,715</u>	42,786 <u>46,946</u>
12	38,072 <u>42,232</u>	39,199 <u>43,359</u>	40,360 <u>44,520</u>	41,555 <u>45,715</u>	42,786 <u>46,946</u>	44,052 <u>48,212</u>
13	39,199 <u>43,359</u>	40,360 <u>44,520</u>	41,555 <u>45,715</u>	42,786 <u>46,946</u>	44,052 <u>48,212</u>	45,359 <u>49,519</u>

Section 5. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay schedules. (1) The pay schedule for blue-collar workers for the period beginning the first day of the first full pay period in fiscal year ~~2004~~ 2006 is as follows:

1	Annual Hours -- 2080		Note: Does Not Include Insurance
2	Pay Matrix -- Blue-Collar		Matrix Type -- Hourly
3		Grade	\$/Hour
4		B1	12.395 <u>13.645</u>
5		B2	12.795 <u>14.045</u>
6		B3	13.195 <u>14.445</u>
7		B4	13.595 <u>14.845</u>
8		B5	13.995 <u>15.245</u>
9		B6	14.395 <u>15.645</u>
10		B7	14.795 <u>16.045</u>
11		B8	15.195 <u>16.445</u>
12		B9	15.595 <u>16.845</u>
13		B10	15.995 <u>17.245</u>
14		B11	16.395 <u>17.645</u>
15		B12	16.795 <u>18.045</u>
16		B13	17.195 <u>18.445</u>
17		B14	17.595 <u>18.845</u>

18 (2) Effective on the first day of the first full pay period that includes January 1, ~~2005~~ 2007, the pay
 19 schedule for blue-collar workers is as follows:

20	Annual Hours -- 2080		Note: Does Not Include Insurance
21	Term -- Blue Collar		Matrix Type -- Hourly
22		Grade	\$/Hour
23		B1	12.645 <u>14.645</u>
24		B2	13.045 <u>15.045</u>
25		B3	13.445 <u>15.445</u>
26		B4	13.845 <u>15.845</u>
27		B5	14.245 <u>16.245</u>
28		B6	14.645 <u>16.645</u>
29		B7	15.045 <u>17.045</u>
30		B8	15.445 <u>17.445</u>

1	B9	15.845 <u>17.845</u>
2	B10	16.245 <u>18.245</u>
3	B11	16.645 <u>18.645</u>
4	B12	17.045 <u>19.045</u>
5	B13	17.445 <u>19.445</u>
6	B14	17.845 <u>19.845</u> "

7

8 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2005.

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